



KINGDOM OF CAMBODIA

Nation Religion King

Royal Government of Cambodia

STANDARD OPERATING PROCEDURES
FOR
PUBLIC-PRIVATE PARTNERSHIP PROJECTS

VOLUME II
GUIDELINES



August 2022

**GUIDELINES
ON
PROJECT DEVELOPMENT FACILITY
FOR PPP PROJECTS**

1. INTRODUCTION

- 1.1. The Government of the Kingdom of Cambodia (GKC - hereafter referred as the Government) has established a central Project Development Facility (PDF) under its Public Investment Management System Reform Strategy 2019-2025 (PIMSRS 2019-2025) to finance the development and preparation of public investment projects. The objective of the PDF is to act as a dedicated fund that finances project development, preparation and procurement of public investments financed through official development assistance, national budget, and the Public-Private Partnerships (PPP) mechanism. The central PDF mainly consists of three windows for financing namely: the Externally Financed Projects Window, the National Budget Financed Projects Window, and the PPP Projects Window.
- 1.2. The establishment of the PPP Projects Window (hereafter referred as the PDF for PPPs, or PDF for PPP Projects) as mandated by Article 12 of the Law on Public-Private Partnerships. The PDF for PPPs will finance transaction service activities by providing financial support to the Implementing Agencies (IA) for undertaking quality preparation and procurement of PPP projects and the associated transaction services. The Guidelines on PDF for PPPs are consistent with the principles defined in the guidelines on the central PDF issued under the Action Plan for the PIMSRS 2019-2025.
- 1.3. The project preparation and transaction services are normally referred to as Transaction Advisory Services (TAS) and are provided by a firm or a consortium of firms which, collectively, is termed as the Transaction Advisor (TA). The PDF for PPPs will help improve the enabling environment that catalyzes PPPs in infrastructure investments through structural strengthening of the preparation, transaction, and negotiation process for implementing PPP Projects in Cambodia.

2. SCOPE OF SERVICES FOR FINANCING UNDER THE PDF FOR PPPs

- 2.1. The PDF for PPPs can be used for financing the full range of TAS for solicited PPP proposals. The scope of the services includes, but not limited to, the following:
 - (i) Preparation of Feasibility Study (FS). Pre-feasibility study may be considered where this is packaged together with the FS and is not a standalone study;
 - (ii) Due Diligence of FS;
 - (iii) Demand studies, including willingness to 'pay' and 'use' surveys;
 - (iv) Environment and Social assessment studies;
 - (v) Project and Financial Structuring;
 - (vi) Financial modeling, legal, regulatory and tax assessments;
 - (vii) Procurement for the Selection of the Private Partner;
 - (viii) PPP Contract negotiations and award;
 - (ix) Preparation of PPP Contract management plan/manual; and
 - (x) Incidental transaction support until contract/financial close.
- 2.2. The financing from the PDF for PPPs is available only for the projects in the list of the Priority PPP Projects, as determined and approved by the MEF after undertaking the

selection and prioritization of PPP Projects in accordance with the **Guidelines on Identification and Selection of PPP Projects of the SOP for PPP Projects, Volume II: Guidelines**.

- 2.3. The PDF for PPPs is used for undertaking TAS for PPP Projects procured through the solicited route. In case of unsolicited proposals (USP), the development and preparation of the PPP Project is financed by the Proponent/Private Sponsor and hence no financing is required from the PDF for PPPs.
- 2.4. The Framework Agreement (FA) entered between the IA and the Proponent/Private Sponsor for an USP will clearly specify the requirement for the Proponent/Private Sponsor to bear all the costs for the development and preparation of the USP. It will also allocate a budget for the IA for the recruitment of TA or consultants/advisors to undertake the due diligence of the FS by the Government and for the assistance in the negotiations of the draft PPP Contract. The due diligence of the FS is carried out by the IA and the Ministry of Economy and Finance (MEF) on behalf of the Government.
- 2.5. However, in exceptional cases, where provisions and budget for the Government for undertaking the due diligence or assistance in contract negotiations have not been specifically included in the FA, the PDF for PPPs can be used for financing these services subject to (i) a written agreement from the Proponent/Private Sponsor that it will reimburse the expenditures incurred by the Government prior to the approval of the FS by the IA in case of expenditures for the due diligence of the FS, or prior to the signing of the PPP Contract in the case of assistance for contract negotiations, and (ii) prior to approval of the Public Investment Committee (PIC) of the MEF.

3. OPERATING PRINCIPLES OF THE PDF FOR PPPs

- 3.1. The PIC of the MEF will select the PPP Projects for which funding and allocation of budget will be made available from the PDF for PPPs. Once the prioritization of the Potential PPP Projects has been completed by the General Department of Public-Private Partnerships (GDPPP) in accordance with the **Guidelines on Identification and Selection of PPP Projects of the SOP for PPP Projects, Volume II: Guidelines**, the final list of the Priority PPP Projects will be submitted to the respective IA by the GDPPP with the advice that the PPP Projects in the list will be eligible for the consideration for the financing of TAS from the PDF for PPPs by the PIC of the MEF.
- 3.2. The list of the Priority PPP Projects with their order of ranking will be submitted to the PIC by the GDPPP for the review and in-principle selection of the Priority PPP Projects for which funding for TAS will be made available from the PDF for PPPs. This will be carried out on an annual basis. In case of any representation from the IAs on its priority for the PPP Projects which is different from the order of ranking in the list of the Priority PPP Projects, this will be conveyed to the PIC at the time of the submission of the list of the Priority PPP Projects by the GDPPP.
- 3.3. The number of PPP Projects selected will depend on the budget available in the PDF for PPPs. The MEF will determine and approve the budget for the PDF for PPPs on an annual basis.
- 3.4. Once the decision on the in-principle selection of the PPP Projects has been made by the PIC, the GDPPP will inform the respective IA of the results and request for submission of the application for the allocation of budget from the PDF for PPPs. The respective IA will submit details on project information, scope of TAS required and the estimated cost for each selected PPP Project in the format provided in **Appendix 1**

with its application. The application can be for a single or multiple number of PPP Projects depending on the number in-principle selected by the PIC.

- 3.5. For due diligence of FS and other transactions services like assistance in the drafting and negotiating of the PPP Contract in case of USP, the budget set aside for these purposes in the FA will be deposited by the Proponent/Private Sponsor into the central PDF account as determined by the Government and automatically allocated to the PDF for PPP Projects account of the GDPPP. No specific approval of the PIC will be needed for the use of these funds.
- 3.6. In case of the due diligence of the financial/commercial proposal under USP, the GDPPP will undertake such proposals and use the funds allocated in the PDF for PPP Projects account to finance the due diligence consultants/advisors. In the case of due diligence of the technical proposal, where required, this will be undertaken by the IA. The IA will request the GDPPP for the budget from the funds deposited by the Proponent/Private Sponsor. The GDPPP will review the Terms of Reference (TOR) of the due diligence consultants/advisors and the cost estimates and provide the necessary approval of the budget. In case legal advisor is required for the drafting or finalizing the PPP Contract, the GDPPP will allocate the necessary budget for recruitment of the legal advisors.
- 3.7. In the case where a Development Partner (DP) is financing the TAS and/or acting as the TA, no funding is provided from the PDF for PPPs. In such cases, the arrangements for the engagement with the DP is formalized through a written and binding agreement between the DP and the MEF. However, the PPP Project for which the DP will provide financing and/or act as the TA must either be from the final list of the Priority PPP Projects or an approved Sector Master Plan.
- 3.8. In the case PPP Project is not from the list of the Priority PPP Projects, it will need to be subjected to the selection and prioritization of PPP Projects in accordance with the **Guidelines on Identification and Selection of PPP Projects, SOP for PPP Projects, Volume II: Guidelines** and approved by the PIC. In exceptional cases, the PIC can recommend the PPP Project without the need for the selection and prioritization process to the Minister of the MEF for approval.

4. INSTITUTIONAL ARRANGEMENTS FOR THE PDF

- 4.1. The MEF is responsible for setting the policy and guidelines on the use of the central PDF and other windows of financing; their management and oversight, and for approving applications/request for funding. It will ensure sufficient funds are allocated to the central PDF to meet the demands for undertaking TAS and due diligence services for the PPP Projects pipeline and its sustainability. The MEF is also responsible for any revision and upgrade of these **Guidelines on PDF for PPP Projects** as and when necessary.
- 4.2. The PIC of the MEF is responsible for selecting the PPP Projects for which funding can be provided and the budget allocation from any window for undertaking the TAS and due diligence services, where required. The PIC will oversee the central PDF and the main three windows of funding.
- 4.3. The PIC is responsible for the overall management of the central PDF and its three Windows of financing, and the operations and the financial management of the central PDF. It will undertake the evaluation and assessment of all funding requests and make the necessary recommendation to the PIC for a decision.
- 4.4. The operations and financial management of the three windows of funding will be the

responsibility of the General Department of International Cooperation and Debt Management (GDICDM), the General Department of Budget (GDB), and the GDPPP.

- 4.5. The GDPPP is responsible for the operations and financial management of the PDF for PPPs. It will serve as the focal point in the MEF for PPPs and undertake the assessment and evaluation for selection of PPP Projects for funding and the applications/requests for budget allocation from the PDF for PPPs. It will also undertake the due diligence of FS, particularly the financial, commercial, and legal aspects of PPP Projects and may seek funding from the PDF for PPPs for such services, where required.
- 4.6. The key responsibilities of the GDPPP in respect of operation and financial management of the PDF for PPPs are as follows:
 - (i) Ensuring the establishment of the account for the PDF for PPPs at the National Bank of Cambodia;
 - (ii) Preparing the annual budget estimates for PDF for PPPs for submission to PIC for the preparation of the budget for the central PDF;
 - (iii) Providing assistance to the IA in the preparation of request for funding, as necessary;
 - (iv) Assessing and evaluating the IA requests for funding for TAS and making recommendation for consideration and approval of the PIC;
 - (v) Seeking funds from the PDF for PPPs for its due diligence services, where required;
 - (vi) Verifying and processing claims for payments made by TA/Consultants/Advisors;
 - (vii) Ensuring that the reimbursement for the expenditures incurred for carrying out the TAS and success fee, where applicable, are made by the successful private partner in the correct amount and timeframe and deposited to the account number as prescribed in the PPP Contract;
 - (viii) Ensuring that the advances or reimbursements for government due diligence are made by the Proponent/Private Sponsor in case of USP in the correct amount and timeframe and deposited in the account number as prescribed in the Framework Agreement or any other written agreement;
 - (ix) Managing the funds in the PDF for PPPs Account;
 - (x) Preparing of the quarterly progress reports and the annual financial statements for PDF for PPPs Account; and
 - (xi) Performing other related functions as required by the MEF.

5. ASSESSMENT OF APPLICATIONS

- 5.1. The MEF is responsible for carrying out the processing and assessment of the applications for funding under the PDF for PPPs submitted by the IA which is assigned to the GDPPP. The assessment is carried out in a two- stage procedure. In the first stage, the assessment of the project information provided by the IA in the Project Information Sheet section of the Form shown in **Appendix 1** is carried out to verify and validate the following:
 - (i) The environment and social impacts are manageable, and the mitigation costs are reasonable;

- (ii) There are no serious bottlenecks for land acquisition and costs are reasonable;
 - (iii) There is sufficient level of private sector interest from a market perspective;
 - (iv) Financial viability can be expected without or with minimum government support;
 - (v) The level of risk exposure, particularly contingent liabilities, on the Government are manageable;
 - (vi) There is capacity of IA to implement the Project (the MEF to verify if the PMU or a similar institutional arrangement is established, if not there shall be a firm commitment of the IA on timeline for its establishment, or if the IA is overloaded with the preparation of multiple projects); and
 - (vii) Other specific criteria (For example, high priority of the Government, introduces digital or innovative technology, integrated with other priority project/sector plan like the logistics centers).
- 5.2. The PPP Projects proposed by the IA have undergone a vigorous identification, selection, and prioritization exercise and therefore the PPP Projects in the list of the Priority PPP Projects are all prima facie suitable for proceeding to the next stage of seeking funds for TAS from the PDF for PPPs. Hence, the purpose of the first stage assessment is to review the updated project information to determine if there are any bottlenecks/issues which the Government finds unacceptable, or which represent a deal breaker.
- 5.3. No application shall be rejected on account of incomplete information. The GDPPP may request the IA to provide the missing or necessary additional information and data so that it can carry out an informed assessment. The IA will be provided within ten (10) working days from the date of receipt of the request for additional data or clarifications sent by the GDPPP which can be requested by email or letter.
- 5.4. If a deal breaker is identified by the GDPPP in the first stage, the IA will be informed and requested to reconsider the situation. In case the IA agrees with the assessment of the GDPPP, the application will be considered as withdrawn. However, if the IA is of a different opinion, the IA can respond in writing through the GDPPP providing its justification for proceeding with the application for a final decision on the matter by the PIC.
- 5.5. In the second stage, the GDPPP will carry out the review of the TOR for the TAS/Scope of Services to determine completeness, the proposed staffing of the TA and time inputs, and the estimated costs provided in the section on TAS and Due Diligence Services Requirements in the Form shown in **Appendix 1**. The main purpose of this assessment is to determine the appropriate budget allocation for the TAS. Sample TOR for TAS will be provided in the **SOP for PPP Projects, Volume III: Procurement Manual** which will guide the IA in the preparation of the TOR.
- 5.6. The GDPPP will review the draft TOR and compare it with the sample TOR to ensure completeness. It will review the proposed team composition and positions, and the time inputs to ensure all the required expertise are included and the time inputs are reasonable to accomplish the tasks specified for each position in the TA team.
- 5.7. The GDPPP will maintain a database on remuneration rates for different positions and other rates for reimbursable items based on the prevailing market rates which shall be mostly derived from recent consulting contracts under multilateral development bank financed projects, particularly the Asian Development Bank and

the World Bank. The cost estimates for the proposed scope of services for TAS will be compared with the rates in the database and revised where necessary.

- 5.8. If the review of the TOR, the proposed staffing of the TA and the time inputs, and the cost estimate finds that revisions will be required, the GDPPP will advise the IA to consider the revisions and re-submit the application for budget allocation for the TAS.
- 5.9. The GDPPP will prepare a report on the findings of the first and second stage assessments, any additional representation from the IA and its recommendations. The report will be submitted to the PIC for its review and decision. The PIC will review the report from the GDPPP and make the necessary recommendations for the decision of the PIC for approval and budget allocation.
- 5.10. Once the decision on the application is made by the PIC, it will be informed to the IA by the GDPPP. If the decision is in the affirmative, the GDPPP will inform the IA of the approved budget amount and request the IA to initiate the process for the recruitment of the TA in accordance with the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**.
- 5.11. In case of USP, no approval of the PIC is necessary when the funds have been deposited by the Proponent/Private Sponsor in advance. For due diligence of the technical proposal, the IA will submit only Section B of the Form in **Appendix 1** with details of the TOR; the proposed staffing and the time inputs; and the cost estimate for the due diligence consultants/advisors. The GDPPP will review the details and once these are agreed with the IA, it will allocate the budget. In the case of due diligence of the financial/commercial proposal, the budget will be approved by the GDPPP. In case of a legal advisor, the IA and the GDPPP will jointly agree on the need and the GDPPP will allocate the budget following the finalization of the TOR.
- 5.12. However, in the exceptional case where the Proponent/Private Sponsor has not advanced the funds for the GKC's due diligence requirements and the IA or the GDPPP needs to use the funds from the PDF for PPPs, the approval of the PIC will be required. The request will be submitted to the PIC by the IA or the GDPPP, as relevant, together with the detailed TOR, staff inputs and cost estimate for the due diligence consultants/advisors; and the written agreement from the Proponent/Private Sponsor that it will reimburse the expenditures incurred as prescribed in Paragraph 2.5.

6. RECRUITMENT OF TA

- 6.1. The recruitment of the TA will follow the procedures prescribed in the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**. The GDPPP will establish a panel of consulting firms under an Indefinite Delivery Contract (IDC) arrangement through the pre-qualification selection process and procedures prescribed in the PPP procurement manual. This is called the IDC Panel which will comprise preferably ten (10) firms and the contractual arrangement with the selected firms in the Panel will be valid for three (3) years from the date of the signing of the IDC. The IDC Panel will be updated every three (3) years.
- 6.2. The IA is responsible for the recruitment of the TA. Once the PIC has approved the funding and budget from the PDF for PPPs, the IA will recruit the TA from the IDC Panel following the procedures prescribed in the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**.
- 6.3. The IA will be responsible for preparing the Request for Proposals (RFP) incorporating the approved TOR and issuing the RFP to the selected firms from the IDC Panel. The Proposals submitted by the firms will be evaluated by the Consultant Evaluation

Committee (CEC) which will submit its evaluation report and recommendation to the Procurement Review Committee (PRC) for approval of the selection of the consulting firm. The detailed step by step procedures and the composition of the CEC and PRC are prescribed in the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**.

- 6.4. In the case where a DP is financing the TAS, the recruitment of the TA will be undertaken in accordance with the procurement guidelines and regulations of the DP. Normally, the DP agrees to the use of the PPP procurement manual as long as the provisions are consistent with their procurement guidelines and regulations. The applicable procurement arrangement will be spelled out in the legal agreement signed between the DP and the GKC which must be followed by the IA.
- 6.5. The selected TA shall conduct the FS, prepare the bidding documents including the draft PPP Contract, and provide the transaction services for the selection of private partner in strict conformity with the agreed TOR.
- 6.6. The TA will provide the services in two stages as follows:
 - I. In the first stage, the TA will carry out the detailed FS which will be submitted to the IA and the MEF for their due diligence and determination if the FS and the PPP Project can be approved in accordance with the procedures prescribed in Chapter V: Project Approval of the **SOP for PPP Projects, Volume I: Policies and Procedures**. If the FS and the PPP Project are not approved, the TA will not be required to undertake any further services and its contract will be terminated. The consulting contract signed with the TA will specify these conditions.
 - II. If the FS and the PPP Project are approved by the MEF, the TA will proceed to the second stage of services which will undertake transaction services for the selection of the winning Private Partner and until the contract/financial close in accordance with the procedures prescribed in Chapter VI: Project Procurement and Contracting of **the SOP for PPP Projects, Volume I: Policies and Procedures**.
- 6.7. In case of USP, the recruitment of consultants/advisors for due diligence of the financial/commercial proposals and legal advisors for the drafting or finalization of the PPP Contract will be undertaken by the GDPPP in accordance with procedures prescribed in the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**. It is not mandatory to use the firms from the IDC Panel for this purpose. These due diligence consultants/advisors are normally recruited through a Framework Contract arrangement under which the GDPPP signs a contract with a firm for a duration of three (3) years to provide services as and when needed. When the services are required a request with the TOR is submitted to the firm to provide a cost estimate for the services. The cost estimate is reviewed by the GDPPP and the budget agreed with the firm before the commencement of the services.
- 6.8. The recruitment of consultants/advisors for due diligence of the technical proposal, where required, will be undertaken by the IA in accordance with procedures prescribed in the section on the **Selection of Consultants of the SOP for PPP Projects, Volume III: Procurement Manual**. It is not mandatory to use the firms from the IDC Panel for this purpose. The TOR for the services and the cost estimates will be reviewed and agreed with the GDPPP. The consultants/advisors can be recruited using the methods of selection of consultants prescribed in the section on the **Selection of Consultants of the SOP for**

PPP Projects: Procurement Manual with the prior approval of the MEF.

- 6.9. The recruitment on the legal consultants/advisors may be on an individual or firm basis depending on the scope of the services required. Where the Proponent/Private Sponsor uses a reputable and experienced legal firm/advisor to draw up the PPP Contract, an individual is recruited by the GDPPP to carry out the due diligence by the GKC. Where the draft PPP Contract lacks quality or where the Proponent/Private Sponsor relies on the GKC side for drafting or finalizing the PPP Contract, it is advisable to recruit a firm.

7. FINANCING AND REVOLVING NATURE OF THE PDF

- 7.1. The MEF is responsible for ensuring there is sufficient funding of the central PDF to meet the demand for undertaking TAS for the pipeline of PPP Projects. The funds may be sourced from grants or concessional loans from DP or the national budget or a combination of the two.
- 7.2. The PDF for PPPs is established as a sustainable revolving facility. The expenditures incurred for carrying out the TAS funded by the PDF for PPPs will be reimbursed by the winning Private Partner. The PPP Contract will clearly specify this requirement, the amount of the reimbursement to be made, the central PDF account details and the time and method of payment. In some cases, the PPP Contract may also specify a success fee that the successful Private Partner will need to pay. In the case of an USP, the Proponent/Private Sponsor will advance the budget for the due diligence and other transaction services required by the GKC which will be stipulated in the Framework Agreement (FA).
- 7.3. The payments of all the specified amounts in the PPP Contract and the FA in case of USP will be deposited directly into the central PDF account by the winning Private Partner or by the Proponent/Private Sponsor, as relevant, within the timeframe stipulated in the PPP Contract and in the FA. The PIC will reallocate all the reimbursed funds in the case of solicited proposals and advances in the case of USP from the central PDF account into the PDF for PPPs Account.
- 7.4. The winning Private Partner or the Proponent/Private Sponsor will need to submit the relevant bank remittance documents to the MEF to substantiate that the required payments have been made. The GDPPP will verify and confirm the receipt of the funds and inform the IA if the conditions specified in the PPP Contract or in the FA have been satisfied. Without this confirmation by the MEF, the PPP Contract cannot be made effective or the review of the FS under USP cannot proceed.
- 7.5. In the exceptional case the procurement for the selection of the private partner is not successful, the cost incurred for undertaking TAS is not refunded and the central PDF will need to bear the costs.
- 7.6. Since the PDF for the PPPs is a revolving fund in nature, it will be sustainable on its own over the longer term as the PPP program matures. In the short to medium term, the GDPPP will need to seek annual budgetary allocations to ensure that the PDF for PPPs is sufficiently resourced to meet the demand for pre-financing of the TAS.
- 7.7. The MEF will prepare the budget estimate for the central PDF on an annual basis and will be responsible for seeking the necessary allocation from the national budget and DP assistance, where required.
- 7.8. The GDPPP will prepare the annual estimates for the PDF for PPPs, the GDB for the PDF for National Budget Financed Projects and the GDICDM for the PDF for Externally Financed Projects. These will be submitted to the PIC for review and approval. The PIC

will seek budget approval from the MEF in accordance with the GKC annual budget process.

- 7.9. All funds provided by the DP under grants or concessional loans for financing of TAS will be deposited in the central PDF account and allocated to the PDF windows depending on the scope of the use of these funds as specified in the grant or loan agreements.
- 7.10. The PIC will ensure that the funds from the central PDF is allocated to the three PDF windows according to the budget approval for each of them. Similarly, any funds provided by the DP will be allocated to the PPP window(s) according to the purpose for which the funding is provided.

8. FINANCIAL MANAGEMENT AND DISBURSEMENT FROM THE PDF

- 8.1. The MEF will establish an account for the central PDF at the National Bank of Cambodia. All funds will be channeled through this central account which will be operated and maintained by the PIC. In addition to this, three separate sub-accounts will be established by the MEF for the three main windows of the central PDF.
- 8.2. The GDPPP will be responsible for the operations of the PDF for PPPs Account; the GDICDM for the operations of the PDF for Externally Financed Projects Account; and the GDB for the operations of the PDF for National Budget Financed Projects Account. They will also be responsible for maintaining proper accounting records, reporting, preparation of annual financial statements and arranging for their audits.
- 8.3. The financial management policies and procedures of the GKC will be applicable for the use of the funds under the PDF for PPPs Account.
- 8.4. The payments for the TAS from the PDF for PPPs Account may be made under one of the following methods:
 - (i) The GDPPP may transfer funds directly to the designated bank account of the TA, as specified in the consulting contract for the TAS. The charges and fees for the transfer of the payments will be on account of the TA.
 - (ii) The GDPPP may make payments by check in the name of the TA.
 - (iii) In case of payments are made from the proceeds of loan/grant provided by a DP, the payments may be made directly to the designated account of the TA under the direct payment procedures of the financing DP.
- 8.5. The processing of the payments to the TA will follow the following procedures:
 - (i) Step 1. The TA shall submit invoices or claims with the required supporting documents as per requirement in the contract, to the IA.
 - (ii) Step 2: The IA will review the claim, scrutinize the supporting documents, and certify that the TAS have been performed and the specified outputs delivered.
 - (iii) Step 3: The IA will submit a request to the MEF for processing of the payment to the TA. The request must be accompanied by the claim, supporting documents and the certification of the payment. The GDPPP will review the documents and assert if the payment is in accordance with the terms and conditions of the consulting contract. The GDPPP will process the payments if all is found to be in order. In case of any discrepancies the GDPPP will seek the clarification from the IA.

- (iv) Step 4: The GDPPP will make the payments to the TA using one of the three methods of disbursements described above.

9. ACCOUNTING AND AUDIT OF THE PDF FOR PPP PROJECTS ACCOUNT

- 9.1. The GDPPP will maintain accounting records of all transaction from the PDF for PPPs Account for each PPP Project.
- 9.2. The GDPPP will prepare quarterly reports on the cash flow as per the template shown in **Appendix 2** and submit to the PIC.
- 9.3. The GDPPP will prepare the annual financial statements and submit to the PIC for consolidation into the central PDF Account annual financial statements. The PIC will be responsible for arranging for the audit of the consolidated annual financial statements in accordance with the auditing requirements and standards prescribed for the GKC accounts. No separate audit for the PDF for PPPs Account will be required except in the case of the use of grant or loan proceeds provided by a DP.
- 9.4. In case of funds from grants or loans provided by a DP and where the DP's financial management guidelines required, the GDPPP will maintain separate accounting records on the use of these funds and arrange for the audit of the annual financial statements by an independent auditor acceptable to the DP.

APPENDIX 1

Project Information Sheet and Service Requirements

Project information to be provided by Implementing Agencies (IA) to the MEF for seeking funding from the PDF for PPPs

A. Project Information Sheet	
1	Implementing Agency:
2	Project Name and Description: A brief description of the scope of the project
3	Rationale of Project: Brief Rationale
4	Project Location: Province, District [location and area map]
5	Land Availability and Ownership: Government or Private owned, existing land use, area of land for acquisition
6	If land needs to be acquired, land acquisition plan, if available and key acquisition issues, if any:
7	Estimated Project Cost: in USD Million [as available or estimated based on prior experience] <ul style="list-style-type: none"> - Construction Cost - Land Cost - Other Costs - Total Project Cost
8	Likely Revenue Sources for the Project: From user charges, other sources [please specify]
9	Financial Viability: Sufficient users and revenue sources have been identified and whether the project is likely to be financially viable. Any government support mechanism required?
10	Project Risk: identify key risks for the Private Partner and the IA. Any of these a deal breaker?
11	Key Social and Environmental Risks and Costs: Summarize if there are any environment or social risks that can have serious implications on the cost or implementation of the Project. For example, if there is large displacement of affected communities/villages/communes) or the Project requires land in protected areas or forests or watersheds?
12	Private Sector Interest: If any market sounding has been carried out, what is the interest level of the private sector/likely interest based on experience with similar projects.
13	Establishment of PPP Unit/Cell/PMU: Status of establishment of PPP Unit/Cell/PMU. If not established, enclose a letter from the Head of the IA providing a commitment and the timeline for its establishment.
14	PPP Workload: State the number of PPP Projects under preparation or number for which funding from PDF for PPPs has been/is being requested.
Name of the Head of PPP Unit/Cell/PMU: Signature: Date:	

B. Transaction Advisory Services and Due Diligence Services Requirements

1. **Solicited PPP Project:** Indicative scope of Project Preparation and/or Transaction Service (Tick as applicable)

Transaction Advisory Services (TAS)

Due Diligence of Feasibility Study (FS)

Legal Advisor

Others (specify)

2. Estimated costs for consultancy services (amount in USD):

3. Terms of Reference: Attached the Terms of Reference

3.1. Schedule of Experts/Expertise Required and Time Inputs: Attached list of international and national experts, their designation and time inputs

3.2. Costs Estimates: Breakdown of Cost Estimates

4. Date of RFP: month and year

5. Proposed Date of Completion of Recruitment: month and year

6. Proposed Date of Completion of FS: month and year

7. Proposed Date for Pre-qualification Applications (if required): month and year

8. Proposed Date for List of Pre-qualified Bidders (where relevant): month and year

9. Proposed Date for Issuance of Invitation to Bid: month and year

10. Proposed Date of Selection of Private Partner: month and year

APPENDIX 2

Statement of Cash Flows of the PDF for PPP Projects Account

PARTICULARS	Actual	Projections	
	Current Year	Year 1	Year 2
OPENING BALANCE			
CASH INFLOWS			
a. Receipt from Development Partner			
b. Receipt from Government Budget			
c. Receipt from reimbursements/advances			
(i) From successful private partner (list name and date of payment below)			
i.			
ii.			
(ii) From Proponent/Private Sponsor (list name and date of payment below)			
i.			
ii.			
d. Other sources (specify)			
TOTAL CASH INFLOWS			
CASH OUTFLOWS			
Disbursements:			
(i) [Name of Implementing Agency], [Project], [Date of Disbursement]			
i.			
ii.			
iii.			
(ii) [Name of Implementing Agency], [Project], [Date of Disbursement]			
i.			
ii.			
iii.			
(iii) [Name of Implementing Agency], [Project], [Date of Disbursement]			
i.			
ii.			
iii.			
TOTAL CASH OUTFLOWS			
CASH BALANCE / (DEFECIENCY)			

Prepared By

Certified By